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SECTION I. SUMMARY OF TRENDS AND DEVELOPMENTS

There are indications that the Czechoslovak Airline, CSA, may be forced to reduce present schedules over its European network for lack of sufficient aircraft. Apparent failure of the new IL-12 transports, recently obtained from the USSR, to measure up to accepted international performance standards has so far prevented their employment on Western European air routes. Moreover, the progressive deterioration of CSA's fleet of DC-3's, resulting from Czechoslovakia's inability to obtain replacements and spare parts through normal Western channels, has produced a critical situation. (Item No. 1, B)

Another Czechoslovak attempt to obtain Western aircraft may be involved in the recent negotiations of a newly-formed Italian aviation company for a large number of DC-3 transports. (Item No. 2, B)

The current Third Assembly of the International Civil Aviation Organization (ICAO), convened at Montreal on 7 June, will probably avoid consideration of any major political issues. In accordance with a resolution adopted by the ICAO Second Assembly a year ago, the provisional agenda of the current Assembly has been restricted primarily to administrative, budgetary, and other procedural matters. (Item No. 3, C)

A representative of Seven Seas Airways recently visited Afghanistan, at the suggestion of the Afghan Ambassador to India, in order to discuss a proposal for local air transport service. It is unlikely that the present proposal will be any more successful than others made in the past because such aviation prerequisites as airfield improvement, aids to navigation, and meteorological services would require a substantial allotment of foreign currency, whereas Afghan dollar credits for the next five years are committed to other development projects. (Item No. 4, C)

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SECTION II. CURRENT DEVELOPMENTS

CIVIL AVIATION

1.

There are indications that the Czechoslovak Airline, CSA, may be forced to reduce present schedules over its European network for lack of sufficient aircraft. Apparent failure of the new IL-12 transports, recently obtained from the USSR, to measure up to accepted international performance standards has so far prevented their employment on Western European air routes. Moreover, the progressive deterioration of CSA's fleet of DC-3's, resulting from Czechoslovakia's inability to obtain replacements and spare parts through normal Western channels, has produced a critical situation. This appears to be substantiated by reliable reports that smuggling of aircraft parts from Western Europe to Czechoslovakia by flight crews of CSA is being encouraged by the airline's representatives at all Western terminals used by CSA, and that three or four of CSA's DC-3's are being cannibalized. As a natural consequence of CSA's well-known aircraft procurement objectives, foreign agents are reported to be actively attempting to obtain US manufactured transports for resale to CSA (See TG Weekly No. 62). The strain on the CSA aircraft still in operating condition will be temporarily eased by recent termination of CSA operations in the Eastern Mediterranean and the resulting contraction in its international air network. However, unless CSA is able to improve the performance of the IL-12 or obtain new aircraft and spare parts, a reduction in present schedules will be inevitable. (Secret)
2.

Another Czechoslovak attempt to obtain Western aircraft may be involved in the recent negotiations of a newly-formed Italian aviation company for a large number of DC-3 transports. The new concern, which has been financed by a commercial firm in Milan with world-wide contacts but with no aviation experience, is not highly regarded in Italian aviation circles. The company has expressed a desire to acquire 25 DC-3's for resale to undisclosed purchasers. Although there is no evidence to indicate Czechoslovak collusion in these negotiations, the apparent lack of a Western European market for such a quantity of obsolescent aircraft, as well as the urgent requirement of Czechoslovakia for transport aircraft and spare parts, suggests the possibility that a number of the aircraft sought by the Italian company are intended for ultimate delivery to Czechoslovakia. (Confidential)

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3. The current Third Assembly of the International Civil Aviation Organization (ICAO), convened at Montreal on 7 June, will probably avoid consideration of any major political issues. In accordance with a resolution adopted by the ICAO Second Assembly a year ago, the provisional agenda of the current Assembly has been restricted primarily to administrative, budgetary, and other procedural matters. As a result of the special character of this meeting, therefore, it is probable that there will not even be full national representation of ICAO's membership at Montreal.

In reviewing ICAO's work for the past year, the Third Assembly will touch upon several civil aviation questions related to US security interests. It will be reported to the Assembly, for example, that 23 states have signed (as of 1 March 1949) the Convention on International Recognition of Rights in Aircraft, which was strongly advocated by the US prior to its adoption by the 1948 Assembly. With respect to ICAO membership, the total number of ICAO member nations will be increased to 54 by the scheduled admittance to full membership of Israel and Cuba during June. Two other subjects of importance, the proposed international ownership and operation of international trunk route air service, and a multilateral agreement on commercial rights in international civil aviation will not be discussed as they were referred back to the ICAO Council by last year's Assembly for further study and report to the 1950 Assembly (See TG Weekly No. 19). (Restricted)

4. Afghanistan, cut off from world air networks since the termination of Deutsche Lufthansa service during World War II, has entertained various plans for the organization of commercial air services. The latest of these is reported to be that of Seven Seas Airways, a small private airline, backed by Transocean Airways, US irregular carrier (See TG Weekly No. 32). A representative of Seven Seas recently visited Afghanistan, at the suggestion of the Afghan Ambassador to India, in order to discuss a proposal whereby local cargo transport service would be initiated with eventual extension to Peshawar, Karachi, and Tehran.

The only air service to Kabul at present is that furnished by the USSR Aeroflot which schedules two round trips a month from Moscow. In 1946, the US airline TWA proposed the organization of an Afghan airline, to be partly owned and wholly managed by the American company. The Government of Afghanistan, exploring the subject further, approached the US Pan American Airways with the proposal that Kabul be made a stop on Pan American's round-the-world route. These projects failed to materialize as did the plan for an air link from Kabul to Peshawar discussed with Afghan authorities by an Indian delegation before the

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establishment of the Dominion of Pakistan. It is unlikely that the present plan will be any more successful because such aviation prerequisites as airfield improvement, aids to navigation, and meteorological services would require a substantial allotment of foreign currency, whereas Afghan dollar credits for the next five years are committed to other development projects.

While the air link to India and Pakistan on one side, and to Iran on the other, would be desirable for trade purposes, and while the small twin-engine Avro Anson XIX's acquired by the Afghan Air Force from the British may provide some temporary internal services, it is unlikely that Afghanistan will be able to establish a commercial airline for some time to come. (Confidential)

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